

2004
EMPLOYER-PROVIDED LONG-TERM CARE
BENEFITS TAX CREDIT WORKSHEET
INSTRUCTIONS

This credit is available to employers that incur costs to provide eligible long-term care insurance to employees. For purposes of this credit, “employer” means any entity that employs one or more individuals performing services for it within this State. For a complete definition, see 26 M.R.S.A. § 1043. Eligible long-term care insurance includes coverage under a qualified long-term care insurance contract or under a long-term care insurance policy certified by the Superintendent of Insurance in accordance with Title 24-A. A qualified long-term care insurance contract is defined by IRC § 7702B(b) as any contract that provides coverage for qualified long-term care services. Qualified long-term care services means necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, and maintenance or personal care services, which are required by a chronically ill individual and that are provided in accordance with a plan of care prescribed by a licensed health care practitioner. The term “chronically ill individual” is defined by IRC § 7702B(c)(2). Qualified long-term care insurance contracts must also meet other technical requirements as specified in § 7702B(b).

The allowable Maine credit is equal to the lowest of:

- 1) \$5,000;
- 2) 20% of the actual costs incurred in providing long-term care insurance coverage to employees; or
- 3) \$100 for each employee covered by a qualified long-term care insurance contract provided by the employer.

The credit is limited to the income tax otherwise due (excluding Minimum Tax), but any excess may be carried forward for 15 years.

SPECIFIC LINE INSTRUCTIONS

Please enter the taxpayer name and social security number (“SSN”) or employer identification number (“EIN”).

In the case of pass-through entities (partnerships, LLCs, S corporations, trusts, etc.), the partners, members, shareholders, beneficiaries, etc., are allowed a credit in proportion to their respective interest in these entities. Attach a schedule showing the credit generated by the pass-through entity and the assignment/distribution to each partner, shareholder, beneficiary, etc. Include the name, address, and federal ID number of the pass-through entity and the name and SSN/EIN of each partner, shareholder, beneficiary, etc.

- Line 1. Enter the total number of employees with eligible long-term care insurance coverage provided by the employer during the tax year.
- Line 3. Enter costs incurred by the employer in providing eligible long-term care insurance coverage to employees for the taxable year.
- Line 6. The credit is limited to the tax liability of the taxpayer. Unused credit amounts may be carried forward for a period of up to 15 years. Enter any allowable credit carryforward amounts from previous years on this line.
- Line 7. The credit is limited to the tax liability, excluding minimum tax, of the taxpayer. For taxable corporations, this limitation is applied on Form 1120ME, Schedule C. For individuals, the limitation is applied on Form 1040ME, Schedule A. Any unused credit amounts resulting from the limitation may be carried forward for up to 15 years.



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36 M.R.S.A. § 5217-C

TAXPAYER NAME: _____ EIN/SSN: _____

Note: Owners of pass-through entities (partnerships, LLCs, S corporations, trusts, etc.) making an eligible investment, see instructions. Also, please provide name and ID number of the pass-through entity on the lines below.

NAME OF PASS-THROUGH ENTITY

EIN/SSN

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- | | | | |
|----|---|----|-------|
| 1. | Number of employees with eligible long-term care insurance coverage provided by the employer | 1. | _____ |
| 2. | Line 1 x \$100 | 2. | _____ |
| 3. | Costs incurred by the employer in providing eligible long-term care insurance coverage for its employees during the taxable year | 3. | _____ |
| 4. | Line 3 x 20% (0.20) | 4. | _____ |
| 5. | Enter the lesser of line 2, line 4 or \$5,000 | 5. | _____ |
| 6. | Credit carried forward from previous tax years. See instructions | 6. | _____ |
| 7. | Total credit available this year (line 5 plus line 6). Corporate taxpayers, enter on Form 1120ME, Schedule C, line 29d. Individual taxpayers, enter on Form 1040ME, Schedule A, line 18. | 7. | _____ |